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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

April 18, 2016

George Glasier
Pinon Ridge Mining LLC
31161 Highway 90
PO Box 825
Nucla, Colorado 81424-0825

Subject: Notice of Pending Five-Year Period of Suspension of Operations, Pinon Ridge Mining LLC, Sage Mine, S/037/0058, San Juan County, Utah

Dear Mr. Glasier:

Utah Administrative Code Annotated R647-3-113, Suspension or Termination of Operations, Part 4, states, "The operator shall give the Division prompt written notice of a termination or suspension of small mining operations expected to exceed five (5) years. Upon receipt of notification the Division shall, within 30 days, make an inspection of the property." The Division of Oil, Gas and Mining has reviewed the record of activity history for the Sage mine, permit number S/037/0058, and determined that the last work at the site that is considered mining activity was conducted in 2012 with the installation of groundwater monitoring wells.

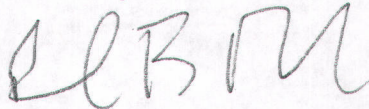
By January 31, 2017 please provide in writing to the Division notification of a period of suspended mining activity expected to exceed five years. If you want to keep the permit active, you must request approval for an extension for more time. Upon receipt of this notice, the Division will conduct an inspection within 30 days, or as weather and ground conditions permit. Please also be aware that Part 5 of this rule states that the Division will require full reclamation of the site after ten (10) years of suspended activity unless the operator appeals to the Board of Oil, Gas and Mining and shows good cause for a longer extension period.

The current reclamation surety amount for this site is **\$30,900.00** in the form of a Certificate of Deposit at the Citizens State Bank of Ouray. The surety is due for evaluation in August 2019.

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All future correspondence should reference S/037/0058. Please call me if you have any questions in this regard.

Sincerely,

A handwritten signature in dark ink, appearing to read 'PB M'.

Paul Baker
Minerals Program Manager

PB: mpb: eb

cc: Ted McDougall, BLM Monticello FO (tmcDoug@blm.gov)

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